

CA/OPS.
JUL 12 1957

~~SECRET~~

ED/EC M-246

June 28, 1957

EXECUTIVE COMMITTEE OF THE
ECONOMIC DEFENSE ADVISORY COMMITTEE

MINUTES

2:00 p.m., Tuesday, June 25, 1957
Room 1213 Maiatico

Attendance:

MDAC

Mr. Hale, Chairman
Mr. Johnson
Mr. Wight
Mr. Kramer, Executive Secretary
Mrs. Lese, Committee Secretary

Defense

Colonel Green

ICA

Mr. Slaght

State

Mr. Wright
Mr. Hamilton

CIA

Mr. [REDACTED] 25X1A9a

Commerce

Mr. Hockersmith
Mr. George

Treasury

Mr. Pollak

Agenda:

25X6A

- Note a. [REDACTED] Mercury Situation.
(Ref. EDAC D-124/1, 6/21/57)
- Note b. Review of Economic Defense Policy.
(Ref. CFEP 556/1 of 6/20/57; EDAC D-135, 6/26/57)
- Note c. Joint Chiefs of Staff Paper.
- Note d. Preparation for Forthcoming COCOM/CHINCOM Discussions.

- 1. Consideration of State Department draft telegram of instructions to USDEL re Polish situation.

Distribution:

ED List Parts I & II
WG I (Limited)

SECRET

25X6A

Note a. [REDACTED] Mercury Situation.
(Ref. EDAC D-124/1, 6/21/57)

The Chairman called attention to an exchange of correspondence between Mr. Marshall M. Smith, Deputy Assistant Secretary for International Affairs, Department of Commerce, and Admiral DeLany, Chairman of EDAC, pertaining to negotiations with Italy regarding mercury controls (EDAC D-124/1).

Note b. Review of Economic Defense Policy.
(Ref. CFEP 556/1 of 6/20/57; and EDAC D-135, 6/26/57)

The Chairman informed the members that the Chairman of the CFEP has set up a special group within the Council under the Chairmanship of the Under Secretary of Commerce to examine all aspects of our policy on U. S. trade with Communist China. The memorandum which advises of this action notes that representation at the Assistant Secretary level is desired. The agencies stipulated for membership in this group are Commerce, State, Defense, Agriculture, Treasury, and ICA. Mr. Hollister has designated Admiral DeLany as the ICA representative. The memorandum further states that the committee shall be prepared to submit its recommendations by August 15, 1957.

Note c. Joint Chiefs of Staff Paper.

The Chairman stated that Colonel Cullen reported that the Chairman of CFEP will refer to EDAC for recommendations the memoranda prepared in the Department of Defense and by the Joint Chiefs of Staff previously mentioned by our Defense member. (Subsequently distributed as EDAC D-135, 6/26/57.)

Note d. Preparation for Forthcoming COCOM/CHINCOM Discussions.

Decisions

1. Working Group I was assigned the responsibility for reporting to the Executive Committee no later than July 12 the results of a study of those items on List II and List III as well as the list of 35 CCSL items which the U. S. might wish to propose for special treatment during the course of the July discussions in CHINCOM.

2. Working Group I should begin at once the consideration of the items on List II and List III and the 35 CCSL items for the purpose of determining what the U. S. position should be in the development of quantitative and surveillance controls toward the Sino-Soviet bloc. The Working Group will be requested to complete this study by the middle of August or, at the latest, September 1. In their report, the Working Group may propose the elimination or downgrading of items on List II, or upgrading to List I of items which meet COCOM criteria under the new conditions. After concluding the List II and quantitative aspects they should proceed with the surveillance items with the understanding that the surveillance will be to the Sino-Soviet bloc and they should select the items which no longer qualify for surveillance and also select items on the list of 35 CCSL items which may qualify for surveillance or for some higher control.

SECRET

SECRET

Discussion

25X6A

25X6A The State member remarked that a message had been received from London [redacted] 7229; 6/24/57) reporting on the approach by the Embassy to the [redacted] and stating that the [redacted] are confident that their suggestions for quotas will be low enough to be quickly accepted. The Department is desirous of having some proposal to present to the other PCs for List II and would like to meet the July 1 deadline, if possible, in view of the fact that we are attempting to settle the matter expeditiously.

The Chairman said that he expected to receive a report from the Working Group with recommendations which could be considered in the Executive Committee on Friday morning.

Mr. George, Commerce, informed that the Ad Hoc Committee had today completed work which constituted a position with respect to China quotas. This will be presented along with a statistical summary and an analysis from the Ad Hoc Committee Chairman; the latter, because of insufficient time for clearance, reflects only the views of the Chairman. He did not know whether Working Group I members would be ready at this time to give their agencies' positions. The Executive Committee Chairman responded that in that event the report could be considered on an agency basis in the Executive Committee on Friday morning.

1. Consideration of State Department draft telegram of instructions to USDEL re Polish situation.

Decision

In view of the comments made by the various agency members the State member indicated that he would undertake revision of the instruction to Paris taking into account some of the views expressed. The Defense member reserved until he has had an opportunity to consider the redraft. The draft message would be presented to EDAC for policy consideration because incorporation of some of the views expressed might have a significant impact on the general level of international controls.

Discussion

The Chairman stated that this problem is to be given EDAC consideration as a result of correspondence between Mr. Kalijarvi and the Chairman of EDAC (Ref. EDAC D-132, 6/14/57). The Chairman of EDAC has requested the Executive Committee to prepare the necessary documentation prior to consideration in EDAC. State has submitted for Executive Committee comments and/or approval a draft telegram of instructions to the USDEL for dealing with this problem in COCOM. The Chairman stated that the OC has also considered the proposed licensing policy for U. S. exports to Poland under document series OC 1350.

Although discussion was initiated for the purpose of redrafting the State draft, it became apparent from the views expressed that an agreed draft could not be developed in Committee. State took note of the views expressed and would consider them in preparation of a subsequent draft. With the Polish matter pending in OC for ACEP consideration, the Chairman believed that a joint EDAC-ACEP meeting might be agreed to by the Chairman to fix U. S. policy in both regards.

SECRET